

**STATE OF TEXAS §**  
**COUNTIES OF ARANSAS §**  
**SAN PATRICIO AND NUECES §**  
**CITY OF ARANSAS PASS §**

On this the 24<sup>th</sup> day of October, 2006 the City Council of the City of Aransas Pass convened in a Special Called Council Meeting being open to the Public at the regular meeting place thereof in the City Hall and notice of said meeting giving the time, place, date and subject hereof having been posted and prescribed by Chapter 551 of the Texas Government Code with the following attendance to wit constituting a quorum.

**PRESENT:** Jesus Galvan, Mayor  
Dorothy Roberts, Mayor Pro Tempore  
Frank Hametner, Council Member  
Grace Chapa, Council Member  
Tommy Knight, Council Member

**ABSENT:** None

**ADMINISTRATIVE PERSONNEL PRESENT:** Scott Thompson, City Manager  
Allen Lawrence, City Attorney  
Ada Owens, City Secretary

**ADMINISTRATIVE PERSONNEL ABSENT:** None

**STAFF PRESENT:** Bill Haines Asst. Police Chief/Harbormaster

**OTHERS PRESENT:** Ralph & Lu Arcemont, May Gene Frandolig, Lois Hill, Colleen Abshire, Roger & Jay Masterson, Keith & Barbara Bailey, Pat Jansen, Greg & Jolly Rangel, Maxine Bowen, Melinda Cook, Bob Wright, Lou McCleese, Irene Irey, Roger L. Vanderberg, Eva Young, Joyce Chandler, Maria Segrest, Estella Fraga, Lupe Torres, Juan P. Torres, D. Edwardson, Patty Gilden, Rosemary Upton, Jennifer Thomas, Jim & Alpha Covington, Tim Galvan, Henrie Morales, Marioela Galvan, Deanne Galvan, Joyce Butler, Duehl & Joyce Falor, Kenny Thompson, Hailey Taylor, Bobbie Jo Thompson, Darlene Boehnke, Karen Carson, Gary Boehnke, Melinda Flores, Wilma & Jerry Anderson, Jimmie Peer, Mary Sue Eulitz, Mary Schawl, Darlene Wayne, H.M Wagner, Marsha Wellman, Ivah Mircovich, Christi & Angus Mathews, Lucille Sprigg, Mary Vasquez, Tencha & Robert Keiser, Charlie Castillo, Virginia Bufkin, Nick & Polly Mirkovich, Abel Vasquez, R. Everett, Lenny Bexley, George Batey, Elizabeth Roberts, Shirley Yeamans, D. Torres, Bob Weber, DeeDee Weber, Adam Chapa, Jan Story, Jose S. Lopez, Billy Ellis, Lee Ellis, Gloria Peer, Steven R. Martinez, Linda Dupnik, Terry Stansberry, Nan & Bob Herndon, Venus Mills, Remy Lee, James & Betty Statham, Pam Benson, Daniel Stelly, Suzanne Wells, Nancy Allen, Bill Allen, James A. Mills, James Dove, Karen Dove, Diane Davila, Bill Brassfield, Bunny Williams, Don Schoenfeld, Tom Hargrave, Phillip Hyatt, Victor Galvan, Dwain Roger (Texas GLO), Blake Anthony, Diane Flores, Brenda Dringler, Susie Garcia, Charles W. Richards (GLO), Scott Galvan

(There may have been others present who did not sign in).

**ITEM 1.**      **CALL MEETING TO ORDER.**

Mayor Galvan called the meeting to order at 7:00 p.m. on October 24, 2006.

**ITEM 2.**      **RECESS REGULAR MEETING AND CONVENE EXECUTIVE SESSION PURSUANT TO CHAPTER 551 OF TEXAS GOVERNMENT CODE, SECTION 551.071, LEGAL MATTERS, CONSULTATIONS WITH ATTORNEY; SECTION 551.072, DELIBERATIONS ABOUT REAL PROPERTY; AND SECTION 551.087 DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT RELATED TO DEVELOPMENT OF CONN BROWN HARBOR AND OTHER CITY AND STATE OWNED PROPERTY AND REVISED CONTRACT WITH THE ARANSAS PASS DEVELOPMENT GROUP LTD. FOR SALE AND LEASE OF STATE AND CITY OWNED LAND.**

Recessed into Executive Session at 7:02 p.m.

**ITEM 3.**      **RECONVENE INTO OPEN SESSION TO CONSIDER AND ACT ON PROPOSAL FOR THE CITY OF ARANSAS PASS TO ENTER INTO A REVISED CONTRACT WITH THE ARANSAS PASS DEVELOPMENT GROUP LTD. FOR THE SALE AND LEASE OF PROPERTY OWNED BY THE CITY AND REAL PROPERTY TO BE ACQUIRED BY THE CITY FROM THE STATE, FOR DEVELOPMENT AS PART OF A MULTI-PHASE MARINA, HOTEL AND MIXED-USE WATERFRONT PROJECT, SOMETIMES REFERRED TO AS THE "CONN BROWN HARBOR PROJECT". THE ORIGINAL CONTRACT WAS APPROVED BY CITY COUNCIL ON JUNE 19, 2006. THE PROPOSED CHANGES ARE SHOWN IN EXHIBIT "A".**

Reconvened into Open Session at 8:24 p.m.

Council Member Hametner requested his comments be recorded in the minutes of the meeting as follows:

1. We do not have a Sec. 380 agreement signed by all parties.
2. All the exhibits are not in the contract.
3. Is the contract legally enforceable without the 380 agreement and all the exhibits attached and presented to the Council?
4. The term "specific performance" is not acceptable.
5. Why is the earnest money \$120,000.00 and the penalty to the City \$1,000,000.00.
6. This contract should have any disputes resolved in San Patricio County, not Nueces County, i.e. delete Sec. 9.06.
7. We (the Council) don't know who the buyers are. We have no agreements with APDG, Ltd.
8. Buyers should be bondable!!
9. We need Sec. 103.f requiring approved plan.
10. Restore Sec. 7.026 iv requiring acceptable letters of credit and ability to bond.
11. The City cannot use eminent domain to terminate leases unacceptable to the buyer.
12. There is no provision for a vendor's lien (Deed of Trust) that protects the City if the development fails.
13. The Council cannot allow the purchaser to assign the contract prior to closing.
14. No selective sales of portions of land should be allowed prior to closing the sale tract.
15. Restore seller default to prior amount of \$250,000.00.
16. There is no disclosure of the Tax Reinvestment Zone Agreement.
17. This is a one-sided developer contract with no protection for the City.

18. The City's financial advisor advises the City not to accept the contract until the partnership agreement of the developer is finalized and made available to the Council.
19. Deleted
20. Restore sections deleted per the City's attorneys, Bickerstaff, Heath, Pollan and Caroom, Patty A. Akers' opinions in the record.

Mayor Pro Tempore Roberts made the motion to approve the contract between the Aransas Pass Development Group Ltd and the City of Aransas Pass for the sale and lease of Conn Brown Harbor contingent upon approval of all exhibits plus approval of a signed partnership agreement with developer. Council Member Grace Chapa seconded the motion and the motion carried 3-2 with Mayor Galvan voting yes, Mayor Pro Tempore Roberts voting yes, Council Member Chapa voting yes, Council Member Hametner voting no and Council Member Knight voting no.

**ITEM 6. ADJOURNMENT OF MEETING.**

Mayor Galvan adjourned the meeting at 8:25 p.m.

ATTEST:

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Jesus Galvan, Mayor

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Ada Owens, City Secretary